

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE CENTERLINE HOLDING COMPANY  
SECURITIES LITIGATION

Civil Action No. 08-CV-00505 (SAS)

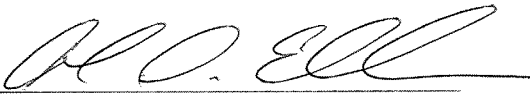
**DECLARATION OF ALAN I. ELLMAN IN FURTHER SUPPORT OF THE MOTION  
OF THE CENTERLINE INVESTOR GROUP FOR APPOINTMENT AS LEAD  
PLAINTIFF AND APPROVAL OF SELECTION OF LEAD COUNSEL  
AND IN OPPOSITION TO THE COMPETING MOTIONS**

Alan I. Ellman hereby declares as follows:

1. I am an attorney of Labaton Sucharow LLP, counsel for plaintiffs J. Michael Fried, Joseph A. Braddock, Norman Millman, and Edward Friedlander, as trustee for the Ed Friedlander Trust (the "Centerline Investor Group").
2. I respectfully submit this declaration in support of the Centerline Investor Group's motion for appointment as lead plaintiff of a class of purchasers of the securities of Centerline Holding Corp., and approval of the selection of Labaton Sucharow LLP and Berger & Montague, P.C. as lead counsel for the Class.
3. Annexed hereto as Exhibit 1 is a true and correct copy of a press release dated January 25, 2008, issued by Dreier LLP.
4. Annexed hereto as Exhibit 2 is a true and correct copy of a press release dated January 27, 2008, issued by Kahn Gauthier Swick LLC.
5. Annexed hereto as Exhibit 3 is a true and correct copy of a press release dated March 12, 2008, issued by Kahn Gauthier Swick LLC.
6. Annexed hereto as Exhibit 4 is a true and correct copy of a letter from Jessica Zeldin to Vice Chancellor Parsons of the Delaware Court of Chancery, dated March 27, 2008.
7. Annexed hereto as Exhibit 5 is a true and correct copy of an order dated September 14, 2006 in *In re Unitedhealth Group Inc. PSLRA Litig.*, No. 06-cv-1691 (JMR/FLN) (D. Minn.).
8. Annexed hereto as Exhibit 6 is a true and correct copy of the August 7, 2006 hearing transcript in *In re Unitedhealth Group Inc. PSLRA Litig.*, No. 06-cv-1691 (JMR/FLN) (D. Minn.).
9. Annexed hereto as Exhibit 7 is a true and correct copy of the Joint Declaration of J. Michael Fried, Joseph A. Braddock, Norman Millman, and Edward Friedlander in support of their motion.

I declare under penalty of perjury the foregoing to be true and correct.

Executed this 4th day of April, 2008 in New York County, New York.

  
ALAN I. ELLMAN

# **Exhibit 1**

Yahoo! My Yahoo! Mail Make Y! your home page

Search: Web Search 

YAHOO! FINANCE

Finance Home - Help

PR Newswire

GET QUOTES

Finance Search

Scottrade  
Member FINRA/SIPC

AMERITRADE

E\*TRADE

Press Release

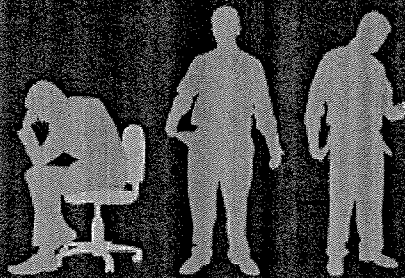
Source: Dreier LLP

## Dreier LLP Announces Class Action Lawsuit Against Centerline Holding Company (CHC)

Friday January 25, 9:00 am ET

NEW YORK, Jan. 25 /PRNewswire/ -- Dreier LLP ([www.dreierllp.com](http://www.dreierllp.com)) announces that a class action lawsuit was commenced in the United States District Court for the Southern District of New York on behalf of purchasers of Centerline Holding Company ("Centerline" or the "Company") (NYSE: [CHC](#) - [News](#)) common stock between March 12, 2007 and December 28, 2007, inclusive (the "Class Period"). The complaint alleges that Centerline, as well as the Company's Chief Executive Officer Marc D. Schnitzer, Chief Financial Officer Robert L. Levy, Chairman Stephen M. Ross, and Managing Trustee Jeffrey T. Blau (collectively, the "Defendants") violated the Securities Exchange Act of 1934.

ADVERTISEMENT

**Stock market got you down?**

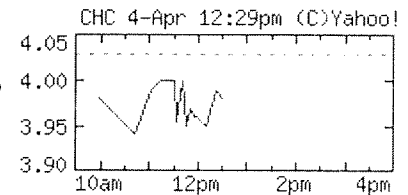
Interbankfx

If you purchased Centerline common stock during the Class Period you may be a member of the proposed Class. You must move the Court on or before March 18, 2008 if you wish to serve as a Lead Plaintiff. Lead Plaintiffs must meet certain legal requirements. If you would like to discuss this action or your legal rights as a purchaser of Centerline common stock during the Class Period, you may contact Daniel B. Scotti ([classlaw@dreierllp.com](mailto:classlaw@dreierllp.com)) of Dreier LLP at 800-952-8897. Class members may retain counsel of their choice and move the Court to serve as a Lead Plaintiff, or may choose to do

nothing and remain absent class members.

Centerline is a publicly owned investment holding firm that, through its subsidiaries, operates as real estate finance and investing company. The complaint alleges that Defendants issued a series of materially false and misleading statements about Centerline's business model and financial condition. Among other things, Defendants failed to disclose that they were in the midst of structuring a sale of Centerline's mortgage revenue bond portfolio to a third party. On December 28, 2007, Defendants stunned the financial markets by announcing that Centerline had sold its "\$2.8 billion tax-exempt affordable housing bond portfolio" to a third party and, in the process, transformed the Company's business model to a pure asset management firm. Defendants also revealed that Centerline had agreed to a deal with The Related Companies, L.P. ("TRCLP"), a company owned and controlled by certain of the Defendants. According to the terms of the deal, TRCLP committed to invest \$131 million in Centerline in exchange for newly-

### Related Quote



CHC 3.99 -0.04 News

### View Detailed Quote

Delayed 20 mins  
[Providers](#) - [Disclaimer](#)

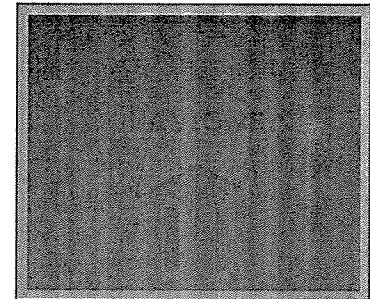
### Related News Stories

- Centerline Capital Group to Present at Bank of America 2008 Smid Cap Conference - Business Wire (Mon Mar 24)
- Johnson & Perkinson Announces Investigation Naming Centerline Holding Company - PR Newswire (Wed Mar 19)
- CENTERLINE HOLDING CO Files SEC form 8-K, Change in Directors or Principal Officers, Financial Statements and Exhibit - EDGAR Online (Tue Mar 18)
- CENTERLINE HOLDING CO Files SEC form 8-K, Change in Directors or Principal Officers - EDGAR Online (Mon Mar 17)

[More...](#)

- By industry: [Diversified Investments](#)

ADVERTISEMENT



### Top Stories

- Jobs Slashed, Pointing to Recession - AP (12:59 pm)

issued convertible preferred stock that will pay Company insiders an 11% dividend, and will be convertible at a \$10.75 per share conversion rate for an aggregate of approximately 12.2 million common shares of Centerline. Finally, Defendants disclosed that Centerline would be reducing its annual dividend from \$1.68 per share to only \$0.60 per share. As a direct and proximate result of these revelations, the price of Centerline stock fell from \$10.27 per share on December 27, 2007 to \$7.70 per share on December 28, 2007, representing a 25% single-day decline on unusually heavy trading volume of more than 4 million shares.

Dreier LLP's Class Action Litigation Group has vast experience representing domestic and foreign institutional and individual investors in securities and other class actions throughout the country. The partners who head Dreier LLP's Class Action Litigation Group have successfully prosecuted securities fraud class actions in a wide variety of industries and have played a significant role in cases that have resulted in some of the largest securities class action settlements. Prior results do not guarantee a similar outcome. As of the date of this Notice, Dreier LLP has not filed a complaint against Centerline.

#### Background on Dreier LLP

Dreier LLP was founded in 1996 by Marc Dreier as a more responsive and innovative alternative to traditional "large-firm" lawyering. Dreier LLP represents a wide range of institutional, entrepreneurial and individual clients in diverse sectors of financial, industrial and service-oriented markets. The firm's principal practices are commercial litigation, class action litigation, real estate, bankruptcy and corporate reorganization, employment, corporate and securities, entertainment, intellectual property, matrimonial and tax. Dreier LLP's Los Angeles affiliate, Dreier Stein Kahan Browne Woods & George LLP, has its principal practice in entertainment and commercial litigation and corporate transactions. The firm's New York affiliate Schlesinger Gannon & Lazetera LLP has an extensive practice in the area of trusts and estates law. Pitta & Dreier LLP is an affiliate, which specializes in labor law, and Pitta, Bishop, Del Giorno & Dreier LLP specializes in government relations. In the 12 years since its founding, Dreier LLP, with its affiliate members, has grown to more than 200 attorneys, with its principal office at 499 Park Avenue in Manhattan, and additional offices in Los Angeles and Santa Monica, California; Albany, New York; and Stamford, Connecticut.

Attorney advertising

Source: Dreier LLP

- [Stocks Gain Slightly in Midday Trading](#) - AP (12:31 pm)
- [Key Investor Terminates Delphi Pact](#) - AP (12:25 pm)
- [Federal Ban on Contracts With IBM Lifted](#) - AP (11:13 am)

[More...](#)

- Most-viewed articles

#### RSS Feeds

Add headlines to your personalized My Yahoo! Page ( About My Yahoo! and RSS )

CHC Headlines

Diversified Investments Headlines

More Finance RSS Feeds

 [Email Story](#)

 [Set News Alert](#)

 [Print Story](#)

[Yahoo! Buzz](#)

[Search News](#)

#### Sponsor Results

##### [Countrywide® Home Loans](#)

No Closing Cost Refi. No Points. No Credit Report or Processing Fees.  
[www.Countrywide.com](http://www.Countrywide.com)

##### [Try Forex Currency Trading at Forex.com](#)

Free \$50,000 practice account with real-time charts, news and research.  
[www.forex.com](http://www.forex.com)

##### [Trade Forex Online with GFT](#)

Free Practice Account & Training. Trade 24 hrs-a-day 5.5 days a week.  
[www.GFTforex.com](http://www.GFTforex.com)

[\(What's This?\)](#)

Copyright © 2008 PR Newswire. All rights reserved. Republication or redistribution of PRNewswire content is expressly prohibited without the prior written consent of PRNewswire. PRNewswire shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

## **Exhibit 2**



Yahoo! My Yahoo! Mail [Make Y! your home page](#)Search: [Web Search](#)**YAHOO! FINANCE**[Finance Home](#) - [Help](#)

marketwire

[GET QUOTES](#)[Finance Search](#)**E\*TRADE****AMERITRADE****Scottrade**  
Member FINRA/SIPC

Press Release

Source: Kahn Gauthier Swick, LLC

## INVESTOR ALERT: KGS Announces That Centerline Holding Company Investors May Now Request Lead Plaintiff Position in Securities Fraud Class Action Lawsuit

Sunday January 27, 3:12 pm ET

NEW ORLEANS, LA--(MARKET WIRE)--Jan 27, 2008 -- Kahn Gauthier Swick, LLC ("KGS") announces that shareholders of Centerline Holding Company ("Centerline" or the "Company") (NYSE:CHC - [News](#)) who purchased shares of the Company between March 12, 2007 and December 28, 2007, have only until March 18, 2008 to move for appointment as Lead Plaintiff in a securities class action lawsuit currently pending in the United States District Court for the Southern District of New York. No class has yet been certified in this action.

UNLESS A CLASS IS CERTIFIED, YOU ARE NOT PERSONALLY REPRESENTED BY COUNSEL UNLESS YOU RETAIN AN ATTORNEY.

If you purchased shares of Centerline, you are urged to contact Lewis Kahn, Managing Partner, KGS, toll free 1-866-467-1400, ext. 100, via cell phone at 504-301-7900, or by email at [lewis.kahn@kgscounsel.com](mailto:lewis.kahn@kgscounsel.com) to learn about your legal rights and how this action may benefit you. For further information on KGS, please visit [www.kgscounsel.com](http://www.kgscounsel.com). KGS focuses its practice on securities class action litigation, and has been appointed lead counsel in numerous federal securities class actions.

ADVERTISEMENT

### Read This Before the Market Crashes!

For all the dire warnings, nobody's telling you about the REAL THREAT to your wealth.

That's why, dollar for dollar, it's 10 times deadlier than the worst "market crash" any forecaster can predict. You probably know what it is...

See what you can do to protect yourself -- and turn the coming market madness into years of wealth-building gains -- in a new free report from The Motley Fool.

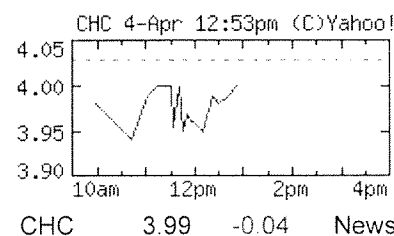
► [Click here to claim your report... it's FREE!](#)

Centerline and certain of its officers and directors -- collectively, "Defendants" -- are charged with making a series of materially false and misleading statements related to the Company's business and operations in violation of the Securities Exchange Act of 1934 (the "Exchange Act").

On December 28, 2007, Centerline shocked shareholders when it issued a press release stating it had sold its "\$2.8 billion tax-exempt affordable housing bond portfolio" to a third party and had transformed the Company's business model to a pure asset management firm. As

a result, Centerline disclosed that it would be slashing its annual dividend from \$1.68 per

### Related Quote



### View Detailed Quote

Delayed 20 mins

[Providers](#) - [Disclaimer](#)

### Related News Stories

- Centerline Capital Group to Present at Bank of America 2008 Smid Cap Conference - Business Wire (Mon Mar 24)
- Johnson & Perkinson Announces Investigation Naming Centerline Holding Company - PR Newswire (Wed Mar 19)
- CENTERLINE HOLDING CO Files SEC form 8-K, Change in Directors or Principal Officers, Financial Statements and Exhibit - EDGAR Online (Tue Mar 18)
- CENTERLINE HOLDING CO Files SEC form 8-K, Change in Directors or Principal Officers - EDGAR Online (Mon Mar 17)

[More...](#)

- By industry: Diversified Investments

ADVERTISEMENT



### Top Stories

- Jobs Slashed, Pointing to Recession - AP (12:59 pm)

share to only \$0.60 per share. Further, Centerline disclosed that Defendants had entered into agreement with a related party owned by certain of the Defendants called The Related Companies, L.P. ("TRCLP"), whereby TRCLP would provide the Company with \$131 million in financing and would receive 12.2 million shares of newly-issued convertible preferred stock that would pay certain Company insiders an 11% dividend. On this news, Centerline stock fell from \$10.27 per share on December 27, 2007, to close at \$7.70 per share on December 28, 2007, representing a 25% single-day decline, on unusually heavy trading volume of 4,152,688 shares.

- [Stocks Gain Slightly in Midday Trading](#) - AP (12:31 pm)
- [Key Investor Terminates Delphi Pact](#) - AP (12:25 pm)
- [Federal Ban on Contracts With IBM Lifted](#) - AP (11:13 am)

[More...](#)

**SPECIAL NOTICE:** Courts will generally appoint only one law firm to prosecute a securities class action on behalf of the shareholders based upon the amount of losses its "lead plaintiffs" have suffered. Accordingly, while KGS urges you to sign up with the firm, KGS also encourages you to carefully evaluate any other firm you may consider to represent your interests in the Centerline class action, should you be considering another firm. Critical components of a law firm's ability to successfully prosecute this action and obtain a strong recovery for you include the resources it will dedicate to prosecution of the case, including the number of lawyers the firm has available for the Centerline action in particular, AND especially the quality of the firm's work. Interested shareholders are encouraged to call for consultation and to request more information about KGS.

• [Most-viewed articles](#)

#### RSS Feeds

Add headlines to your personalized My Yahoo! Page ( About My Yahoo! and RSS )

[CHC Headlines](#)

[Diversified Investments Headlines](#)




[More Finance RSS Feeds](#)

#### Contact:

Contact:

Lewis Kahn  
 KGS  
 1-866-467-1400, ext. 100  
 email: [lewis.kahn@kgscounsel.com](mailto:lewis.kahn@kgscounsel.com)

Source: Kahn Gauthier Swick, LLC

-  [Email Story](#)  [Set News Alert](#)  [Print Story](#) [Yahoo! Buzz](#)

#### Sponsor Results

##### [Countrywide® Home Loans](#)

No Closing Cost Refi. No Points. No Credit Report or Processing Fees.  
[www.Countrywide.com](http://www.Countrywide.com)

##### [Trade Forex Online with GFT](#)

Free Practice Account & Training. Trade 24 hrs-a-day 5.5 days a week.  
[www.GFTforex.com](http://www.GFTforex.com)

##### [Earn From 3.04% to 3.35%](#)

With AAA rated, GE Capital Corp. Not an offer of securities for sale.  
[www.geinterestplus.com](http://www.geinterestplus.com)

[\(What's This?\)](#)

Copyright © 2008 Yahoo! Inc. All rights reserved. [Privacy Policy](#) - [Terms of Service](#) - [Copyright Policy](#) - [Send Feedback](#)  
 Copyright © 2008 Marketwire. All rights reserved. All the news releases provided by Marketwire are copyrighted. Any forms of copying other than an individual user's personal reference without express written permission is prohibited. Further distribution of these materials is strictly forbidden, including but not limited to, posting, emailing, faxing, archiving in a public database, redistributing via a computer network or in a printed form.

## **Exhibit 3**

Yahoo! My Yahoo! Mail [Make Y! your home page](#)Search: [Web Search](#)**YAHOO!** FINANCE[Finance Home](#) - [Help](#)**PrimeNewswire**[GET QUOTES](#)[Finance Search](#)**Scottrade**  
Member FINRA/SIPC**E\*TRADE****AMERITRADE**

Press Release

Source: Kahn Gauthier Swick, LLC

## Investor Alert: KGS Announces Extension of Class Period in Centerline Holding Securities Fraud Class Action Lawsuit -- Investors Have Until March 18, 2008 to Request Lead Plaintiff Position -- CHC

Wednesday March 12, 12:19 am ET

NEW ORLEANS, March 12, 2008 (PRIME NEWSWIRE) -- Kahn Gauthier Swick, LLC ("KGS") announces that shareholders of Centerline Holding Company ("Centerline" or the "Company") (NYSE:CHC - [News](#)) who purchased shares of the Company between December 5, 2006 and December 28, 2007, have only until March 18, 2008 to move for appointment as Lead Plaintiff in a securities class action lawsuit currently pending in the United States District Court for the Southern District of New York. Prior to the filing of KGS' case, the earliest a shareholder could have purchased Centerline shares to be included in this class action was March 12, 2007. No class has yet been certified in this action.

UNLESS A CLASS IS CERTIFIED, YOU ARE NOT PERSONALLY REPRESENTED BY COUNSEL UNLESS YOU RETAIN AN ATTORNEY.

If you purchased shares of Centerline, you are urged to contact Lewis Kahn, Managing Partner, KGS, toll free 1-866-467-1400, ext. 100, via cell phone at 504-301-7900, or by email at [lewis.kahn@kgscounsel.com](mailto:lewis.kahn@kgscounsel.com) to learn about your legal rights and how this action may benefit you. For further information on KGS, please visit <http://www.kgscounsel.com>. KGS focuses its practice on securities class action litigation, and has been appointed lead counsel in numerous federal securities class actions.

ADVERTISEMENT

### Read This Before the Market Crashes!

For all the dire warnings, nobody's telling you about the REAL THREAT to your wealth.

That's why, dollar for dollar, it's 10 times deadlier than the worst "market crash" any forecaster can predict. You probably know what it is...

See what you can do to protect yourself -- and turn the coming market madness into years of wealth-building gains -- in a new free report from The Motley Fool.

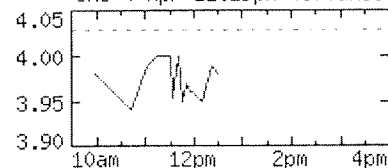
► [Click here to claim your report... it's FREE!](#)

Centerline and certain of its officers and directors -- collectively, "Defendants" -- are charged with making a series of materially false and misleading statements related to the Company's business and operations in violation of the Securities Exchange Act of 1934 (the "Exchange Act").

On December 28, 2007, Centerline shocked shareholders when it issued a press release stating it had sold its "\$2.8 billion tax-exempt affordable housing bond portfolio" to a third party and had transformed the Company's business model to a

### Related Quote

CHC 4-Apr 12:29pm (C)Yahoo!



CHC 3.99 -0.04 News

[View Detailed Quote](#)

Delayed 20 mins

[Providers](#) - [Disclaimer](#)

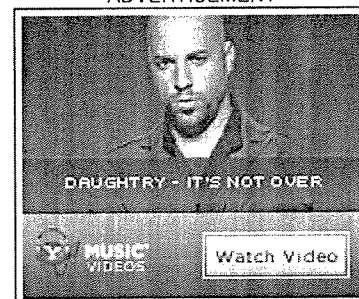
### Related News Stories

- Centerline Capital Group to Present at Bank of America 2008 Smid Cap Conference - Business Wire (Mon Mar 24)
- Johnson & Perkinson Announces Investigation Naming Centerline Holding Company - PR Newswire (Wed Mar 19)
- CENTERLINE HOLDING CO Files SEC form 8-K, Change in Directors or Principal Officers, Financial Statements and Exhibit - EDGAR Online (Tue Mar 18)
- CENTERLINE HOLDING CO Files SEC form 8-K, Change in Directors or Principal Officers - EDGAR Online (Mon Mar 17)

[More...](#)

- By industry: Diversified Investments

ADVERTISEMENT



### Top Stories

- Jobs Slashed, Pointing to Recession - AP (12:59 pm)

pure asset management firm. As a result, Centerline disclosed that it would be slashing its annual dividend from \$1.68 per share to only \$0.60 per share. Further, Centerline disclosed that Defendants had entered into agreement with a related party owned by certain of the Defendants called The Related Companies, L.P. ("TRCLP"), whereby TRCLP would provide the Company with \$131 million in financing and would receive 12.2 million shares of newly-issued convertible preferred stock that would pay certain Company insiders an 11% dividend. On this news, Centerline stock fell from \$10.27 per share on December 27, 2007, to close at \$7.70 per share on December 28, 2007, representing a 25% single-day decline, on unusually heavy trading volume of 4,152,688 shares.

SPECIAL NOTICE: Courts will generally appoint only one law firm to prosecute a securities class action on behalf of the shareholders based upon the amount of losses its "lead plaintiffs" have suffered. Accordingly, while KGS urges you to sign up with the firm, KGS also encourages you to carefully evaluate any other firm you may consider to represent your interests in the Centerline class action, should you be considering another firm. Critical components of a law firm's ability to successfully prosecute this action and obtain a strong recovery for you include the resources it will dedicate to prosecution of the case, including the number of lawyers the firm has available for the Centerline action in particular, AND especially the quality of the firm's work. Interested shareholders are encouraged to call for consultation and to request more information about KGS.

More information on this and other class actions can be found on the Class Action Newswire at <http://www.primenewswire.com/ca/>

#### Contact:

Kahn Gauthier Swick, LLC  
Lewis Kahn  
1-866-467-1400, ext. 100  
[lewis.kahn@kgscounsel.com](mailto:lewis.kahn@kgscounsel.com)

Source: Kahn Gauthier Swick, LLC

 [Email Story](#)

 [Set News Alert](#)

 [Print Story](#)

[Yahoo! Buzz](#)

#### Sponsor Results

##### [Countrywide® Home Loans](#)

No Closing Cost Refi. No Points. No Credit Report or Processing Fees.  
[www.Countrywide.com](http://www.Countrywide.com)

##### [Trade Forex Online with GFT](#)

Free Practice Account & Training. Trade 24 hrs-a-day 5.5 days a week.  
[www.GFTforex.com](http://www.GFTforex.com)

##### [Earn From 3.04% to 3.35%](#)

With AAA rated, GE Capital Corp. Not an offer of securities for sale.  
[www.geinterestplus.com](http://www.geinterestplus.com)

[\(What's This?\)](#)

- [Stocks Gain Slightly in Midday Trading](#) - AP (12:31 pm)
- [Key Investor Terminates Delphi Pact](#) - AP (12:25 pm)
- [Federal Ban on Contracts With IBM Lifted](#) - AP (11:13 am)

[More...](#)

- [Most-viewed articles](#)

#### RSS Feeds

Add headlines to your personalized My Yahoo! Page ( About My Yahoo! and RSS )

[CHC Headlines](#)

[Diversified Investments Headlines](#)

[More Finance RSS Feeds](#)

## **Exhibit 4**



ROSENTHAL, MONHAIT & GODDESS, P. A.

ATTORNEYS AT LAW  
SUITE 1401, 919 MARKET STREET  
P. O. BOX 1070  
WILMINGTON, DELAWARE 19899-1070

TELEPHONE (302) 656-4433  
FACSIMILE (302) 658-7567

JOSEPH A. ROSENTHAL  
NORMAN M. MONHAIT  
JEFFREY S. GODDESS  
CARMELLA P. KEENER  
EDWARD B. ROSENTHAL  
JESSICA ZELDIN

March 27, 2008

The Honorable Donald F. Parsons, Jr.  
Court of Chancery  
New Castle County Courthouse  
500 North King Street  
Wilmington, DE 19801

Re: Off v. Ross, et al.,  
Del. Ch., C.A. No. 3468-VCP

Dear Vice Chancellor Parsons:

We are writing in response to the letter dated March 24, 2008 from counsel for all parties regarding the scope of the release contemplated in the above-referenced actions. We, along with national counsel Berger & Montague, P.C. and Labaton Sucharow, LLP, represent the Centerline Investor Group, which has timely filed a motion for appointment as lead plaintiff in the consolidated securities fraud class actions before Judge Shira A. Scheindlin in *In re Centerline Holding Company Securities Litigation*, C.A. No. 08-CV-00505 (SAS) (S.D.N.Y.). Our clients -- members of the Centerline Investment Group -- are members of the class defined in the *Off* Stipulation of Settlement because they are beneficial owners of Centerline stock between December 27, 2007 and February 4, 2008. See Certifications (attached as Ex. A).

We believe that to be fair the Stipulation of Settlement and Release in *Off* must exclude any claims that arise under the federal securities laws. This will preserve the rights of our clients and the class to a full and fair prosecution of their claims. The Release in Section IV.A. of the *Off* Stipulation of Settlement, however, could be interpreted to release claims asserted in the consolidated federal securities class actions:

***... Plaintiff, on behalf of herself and all members of the Settlement Class, shall be deemed to have ... each fully, finally and forever released, relinquished and discharged, and shall forever be***

The Honorable Donald F. Parsons, Jr.  
 March 27, 2008  
 Page 2

***enjoined from prosecution of each of the Defendants and Centerline ... from any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, expenses, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed, matured or unmatured, that have been or could have been asserted in the Action or in any court, tribunal or proceeding by or on behalf of any member of the Settlement Class, whether individual, class, derivative, representative, legal, equitable, statutory or any other type or in any other capacity between or against any of the Released Persons which arise out of or relate to the allegations, facts, events, transactions, acts, occurrences, statements, representations, misrepresentations or omissions that were or could have been alleged in the Action, including: (1) the TRCLP Transaction, including, without limitation, the sale of the Preferred Stock to TRCLP that closed on or about January 25, 2008, and (2) the Rights Offering (collectively, the "Settled Claims").***

(Emphasis added.)

The consolidated securities fraud class action is still in an incipient stage, with motions for appointment of lead plaintiff pending. It is premature to release any claims that may later be asserted in an amended consolidated complaint or during the course of the litigation, after discovery. Thus, the Release currently contemplated by the *Off* settlement is unfair to the extent it prejudices the rights of class members to litigate fully the securities fraud class action.

We will endeavor to work with counsel in *Off* to accomplish a carve out of any claims that might arise under the federal securities laws.<sup>1</sup> If the *Off* release is not amended pursuant to Section VII.J. of the Stipulation of

---

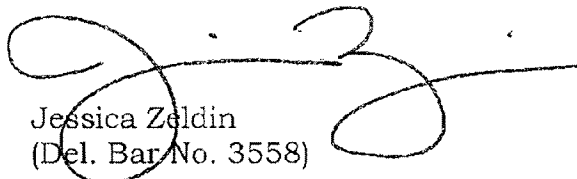
<sup>1</sup> In response to public announcements in late January, 2008 of settlement discussions in the *Off* case, we attempted to contact counsel for *Off* by phone and email to discuss the rights of our clients, but received no response.



The Honorable Donald F. Parsons, Jr.  
March 27, 2008  
Page 3

Settlement, the Centerline Investor Group intends to object to the settlement on or before May 9, 2008, as required in the Notice.

Respectfully,



Jessica Zeldin  
(Del. Bar No. 3558)

cc: Sherrie R. Savett, Esquire (via e-filing)  
Lawrence A. Sucharow, Esquire (via e-filing)  
Stuart M. Grant, Esquire (via e-filing)  
Srinivas M. Raju, Esquire (via e-filing)  
David E. Wilks, Esquire (via e-filing)  
Todd C. Schlitz, Esquire (via e-filing)  
Honorable Shira A. Scheindlin, U.S.D.J., S.D.N.Y (via hand delivery)  
All Counsel of Record in *In re Centerline Holding Co. Sec. Litig.*,  
C.A. No. 08-CV-00505 (SAS) (see attached service list) (via e-filing)

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE CENTERLINE HOLDING COMPANY )  
SECURITIES LITIGATION ) Civil Action No. 08-CV-00505 (SAS)  
)  
)

SERVICE LIST

**LABATON SUCHAROW LLP**

Christopher J. Keller (CK-2347)

[ckeller@labaton.com](mailto:ckeller@labaton.com)

Andrei V. Rado (AR-3724)

[arado@labaton.com](mailto:arado@labaton.com)

Alan I. Ellman (AE-7347)

[aellman@labaton.com](mailto:aellman@labaton.com)

140 Broadway

New York, NY 10005

Tel. (212) 907-0700

Fax (212) 818-0477

**BERGER & MONTAGUE, P.C.**

Sherrie R. Savett

[ssavett@bm.net](mailto:ssavett@bm.net)

Barbara A. Podell

[bpodell@bm.net](mailto:bpodell@bm.net)

Eric Lechtzin

[elechtzin@bm.net](mailto:elechtzin@bm.net)

1622 Locust Street

Philadelphia, PA 19103

Tel. (215) 875-3000

Fax (215) 875-4604

*Attorneys for Plaintiff Mark K. Goldstein*

**WOLF POPPER LLP**

Marian P. Rosner (MR 0410)

[mrosner@wolfdpopper.com](mailto:mrosner@wolfdpopper.com)

Robert C. Finkel (RF 2373)

[rfinkel@wolfdpopper.com](mailto:rfinkel@wolfdpopper.com)

James A. Harrod (JI 4400)

[jharrod@wolfdpopper.com](mailto:jharrod@wolfdpopper.com)

James Kelly-Kowlowitz (JK 9616)

[jkelly@wolfdpopper.com](mailto:jkelly@wolfdpopper.com)

845 Third Avenue

New York, NY 10022

Tel. (212) 759-4600

Fax (212) 486-2093

*Attorneys for Deborah Dechter*

**BRODSKY & SMITH, LLC**

Evan J. Smith

[esmith@brodsky-smith.com](mailto:esmith@brodsky-smith.com)

240 Mineola Blvd.

Mineola, NY 11501

Tel. (516) 741-4977

Fax (516) 741-0626

**SCHIFFRIN BARROWAY TOPAZ &  
KESSLER, LLP**

Richard A. Maniskas  
[rmaniskas@sbtclaw.com](mailto:rmaniskas@sbtclaw.com)  
D. Seamus Kaskela  
280 King of Prussia Road  
Radnor, PA 19087  
Tel. (610) 667-7706  
Fax (610) 667-7056

*Attorneys for Plaintiff Peter Frank*

**LAW OFFICES OF CURTIS V. TRINKO, LLP**

Curtis V. Trinko  
[ctrinko@trinko.com](mailto:ctrinko@trinko.com)  
16 West 46<sup>th</sup> Street, 7<sup>th</sup> Fl.  
New York, NY 10036  
Tel. (212) 490-9550  
Fax (212) 986-0158

*Attorneys for Plaintiff Thomas Lyons*

**KAHN GAUTHIER SWICK, LLC**

Kim Elaine Miller  
[kimmiller25@yahoo.com](mailto:kimmiller25@yahoo.com)  
Lewis Kahn  
12 East 41<sup>st</sup> Street, 12<sup>th</sup> Fl.  
New York, NY 10017  
Tel. (212) 696-3730  
Fax (504) 455-1498

*Attorneys for Plaintiff Brian Quill*

**COUGHLIN STOIA GELLER RUDMAN &  
ROBBINS LLP**

Samuel H. Rudman  
David A. Rosenfeld  
[drosenfeld@csgrr.com](mailto:drosenfeld@csgrr.com)  
58 South Service Road, Suite 200  
Melville, NY 11747  
Tel. (631) 367-7100  
Fax (631) 367-1173

**ABRAHAM, FRUCHTER & TWERSKY, LLP**

Jeffrey S. Abraham  
[jabraham@aftlaw.com](mailto:jabraham@aftlaw.com)  
One Penn Plaza, Suite 2805  
New York, NY 10119  
Tel. (212) 279-5050  
Fax (212) 279-3655  
*Attorneys for Plaintiff Lori Weinrib*

**FARUQI & FARUQI, LLP**

Antonio Vozzolo  
[avozzolo@faruqilaw.com](mailto:avozzolo@faruqilaw.com)  
369 Lexington Avenue, 10<sup>th</sup> Fl.  
New York, NY 10017  
Tel. (212) 983-9330  
Fax (212) 893-9331

and

Jacob A. Goldberg  
[jgoldberg@faruqilaw.com](mailto:jgoldberg@faruqilaw.com)  
2600 Philmont Ave., suite 324  
Huntingdon Valley, PA 19006  
Tel. (215) 914-2460  
Fax (215) 914-2462

and

**MARCUS & AUERBACH, LLC**

Jonathan Auerbach  
[auerbach@marcusauerbach.com](mailto:auerbach@marcusauerbach.com)  
Jerome M. Marcus  
400 Greenwood Ave., Suite 200  
Wyncote, PA 19095-1825  
Tel. (215) 885-2250  
Fax (888) 875-0469  
*Attorneys for Plaintiffs the Goldenbergs*

**SCOTT & SCOTT, LLP**

Beth Ann Kaswan  
[bkaswan@scott-scott.com](mailto:bkaswan@scott-scott.com)  
29 West 57<sup>th</sup> Street  
New York, NY 10019  
Tel. (212) 223-6444  
Fax (212) 223-6334  
*Attorneys for Plaintiff John Carfagno*

**REED SMITH LLP**

Sarah R. Wolff  
10 South Wacker Drive, 40<sup>th</sup> Fl.  
Chicago, IL 60606-7507  
Tel. (312) 207-1000  
Fax (312) 207-6400  
*Attorneys for Defendants Stephen M. Ross  
and Jeffrey T. Blau*

**WOLF BLOCK, LLP**

Jennifer F. Beltrami  
[jbeltrami@wolfblock.com](mailto:jbeltrami@wolfblock.com)  
250 Park Avenue  
New York, NY 10177  
Tel. (212) 883-4955

**SHALOV STONE BONNER & ROCCO LLP**

Ralph M. Stone  
[rstone@lawssb.com](mailto:rstone@lawssb.com)  
Thomas G. Ciarlone  
[tciarlone@lawssb.com](mailto:tciarlone@lawssb.com)  
485 Seventh Avenue, Suite 1000  
New York, NY 10018  
Tel. (212) 239-4340  
Fax (212) 239-4310

**PAUL WEISS RIFKIND WHARTON &  
GARRISON LLP**

Richard A. Rosen  
[rrosen@paulweiss.com](mailto:rrosen@paulweiss.com)  
1285 Avenue of the Americas  
New York, NY 10158-0038  
Tel. (212) 373-3000  
Fax (212) 373-2359  
*Attorneys for Defendants Centerline  
Holding Company, Marc D. Schnitzer and  
Robert L. Levy*

**HOLZER HOLZER & FISTEL, LLC**

Corey Holzer  
[cholzer@holzerlaw.com](mailto:cholzer@holzerlaw.com)  
Michael I. Fistel, Jr.  
[mfistel@holzerlaw.com](mailto:mfistel@holzerlaw.com)  
1117 Perimeter Center West, Ste. E-107  
Atlanta, GA 30338  
Tel. (770) 392-0090  
Fax (770) 392-0029

**REED SMITH LLP**

Steven Cooper  
[scooper@reedsmith.com](mailto:scooper@reedsmith.com)  
599 Lexington Avenue, 29<sup>th</sup> Fl.  
New York, NY 10022  
Tel. (212) 521-5400  
Fax (212) 521-5450

## **Exhibit 5**

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

IN RE: UNITEDHEALTH GROUP  
INCORPORATED PSLRA LITIGATION

Master File No. 06-1691 (JMR/FLN)

**ORDER DESIGNATING LEAD  
PLAINTIFF AND PLAINTIFF'S  
COUNSEL**

---

Before the Court are various motions to appoint lead plaintiffs and lead counsel. [Docket Entry #11, #16, #18, #25, #30 and #39 in 06-1691; Docket Entry #14, #19, #24, #27 and #37 in 06-1784; Docket Entry #9, #14, #19, #22 and #32 in 06-2051; Docket Entry #11, #16, #21, #24, and #35 in 06-2228; Docket Entry #12, #17, #22, #25 and #35 in 06-2235; Docket Entry #2, #7, #12, #15 and #28 in 06-2797; and Docket Entry #2, #16, and #23 in 06-2939.] This ORDER addresses each of those Motions.

Based upon all of the files, records and proceedings herein, it is hereby ORDERED THAT:

**A. Leadership of the Plaintiffs:**

1. The California Public Employees' Retirement System is hereby appointed Lead Plaintiff in this Consolidated Proceeding;
2. Lerach Coughlin Stoia Geller Rudman & Robbins LLP is hereby appointed as Lead Counsel for the Plaintiffs in this Consolidated Proceeding. Reinhardt Wendorf & Blanchfield is hereby appointed as liaison counsel for the Plaintiffs in this Consolidated Proceeding.

**B. Responsibilities of Lead Counsel.**

Lead Counsel shall have the following responsibilities and duties:

1. to coordinate the briefing and argument of any and all motions;
2. to coordinate the conduct of any and all discovery proceedings;
3. to coordinate the examination of any and all witnesses in depositions;
4. to coordinate the selection of counsel to act as spokesperson at all pretrial conferences;
5. to coordinate all settlement negotiations with counsel for defendants;
6. to coordinate and direct the pretrial discovery proceedings and the preparation for trial and the trial of this matter and to delegate work responsibilities to selected counsel as may be required;
7. to coordinate the preparation and filings of all pleadings;
8. to supervise all other matters concerning the prosecution or resolution of the consolidated actions;
9. to be responsible for receiving and disseminating to all other Plaintiffs' counsel, Court orders and notices; and
10. to be the contact between plaintiffs' counsel and defendants' counsel, as well as the spokesperson for all plaintiffs' counsel; and to be the contact between the Court and all plaintiffs and their counsel.

**C. To facilitate the just, speedy and inexpensive determination of these proceedings, and to prevent duplicative pleadings or discovery by plaintiffs:**

1. no motion, discovery request or other pretrial proceedings shall be initiated or filed by any plaintiff without the approval of Lead Counsel;
2. no settlement negotiations shall be conducted without the approval of Lead Counsel;

**D. Time Reports:**

1. All counsel for any plaintiff in the consolidated proceeding shall submit to Lead Counsel detailed time reports reflecting the hours of work expended by each attorney, and any staff person for whom the attorney separately bills by the hour, their billing rates and the subject matter of the work;
2. In addition to the Time Reports described above, Lead Counsel shall separately maintain time reports reflecting the hours of work expended by each attorney, or separately billed staff person, on Administrative matters

related solely to their service as Lead Counsel;

3. All such time reports shall be submitted on a quarterly basis with the first report due no later than one month following the entry of this Order, and shall continue for each subsequent quarter thereafter or on such schedule as Lead Counsel, shall determine;
4. Any failure to submit such reports may result in the disqualification of such unreported time from being reimbursed from any common fund, which may be created in the consolidated proceeding.

ALL OF THE FOREGOING IS SO ORDERED.

Dated: September 14, 2006

*s/ Franklin L. Noel*  
FRANKLIN L. NOEL  
United States Magistrate Judge



## **Exhibit 6**

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

-----  
James C. Krause, )  
Plaintiff, ) File No. 06cv1691  
vs. ) (JMR/FLN)  
UnitedHealth Group, Inc., ) Minneapolis, Minnesota  
et al., ) August 7, 2006  
Defendants. ) 10:00 A.M.  
-----

Richard L. Smith, )  
Plaintiff, ) File No. 06cv1784  
vs. ) (JMR/FLN)  
UnitedHealth Group, Inc., )  
et al., )  
Defendants. )  
-----

Archdiocese of Milwaukee )  
Supporting Fund, ) File No. 06cv2051  
Plaintiff, ) (JMR/FLN)  
vs. )  
UnitedHealth Group, Inc., )  
et al., )  
Defendants )  
-----

Ruth Polishook, )  
Plaintiff, ) File No. 06cv2228  
vs. ) (JMR/FLN)  
UnitedHealth Group, Inc., )  
et al., )  
Defendants. )  
-----

James Ziolkowski, )  
Plaintiff, ) File No. 06cv2235  
vs. ) (JMR/FLN)  
UnitedHealth Group, Inc., )  
et al., )  
Defendants. )  
-----

-----  
Lisa De La Rosa, )  
Plaintiff, ) File No. 06cv2797  
vs. ) (JMR/FLN)  
UnitedHealth Group, Inc., )  
Defendants. )  
-----

California Public Employees) File No. 06cv2939  
Retirement System, ) (JMR/FLN)  
Plaintiff, )  
vs. )  
UnitedHealth Group, Inc., )  
et al., )  
Defendants. )  
-----

BEFORE THE HONORABLE FRANKLIN L. NOEL  
UNITED STATES DISTRICT COURT MAGISTRATE JUDGE  
(MOTIONS HEARING)

APPEARANCES

For the Plaintiffs:

GARRETT D. BLANCHFIELD, JR., ESQ.  
Reinhardt, Wendorf & Blanchfield  
E-1250 First National Bank Bldg.  
332 Minnesota Street  
St. Paul, Minnesota 55101

WILLIAM S. LERACH, ESQ.  
RAMZI ABADOU, ESQ.  
Lerach, Coughlin, Stoia, Geller,  
Rudman & Robbins  
655 West Broadway, Suite 1900  
San Diego, California 92101

PETER H. MIXON, GENERAL COUNSEL  
CalPERS  
Lincoln Plaza North  
400 Q Street  
Sacramento, California 95814

SAMUEL D. HEINS, ESQ.  
Heins, Mills & Olson  
3550 IDS Center  
80 South Eighth Street  
Minneapolis, Minnesota 55402

KRISTINE MOUSSEAU, CRR-RPR  
(612) 664-5106

KATHARINE M. RYAN, ESQ.  
STUART L. BERMAN, ESQ.  
SEAN M. HANDLER, ESQ.  
Schiffrin & Barroway  
280 King of Prussia Road  
Radnor, Pennsylvania 19087

ROBIN F. ZWERLING, ESQ.  
RICHARD A. SPIERS, ESQ.  
Zwerling, Schachter & Zwerling  
41 Madison Avenue  
New York, New York 10010

WILLIAM B. FEDERMAN, ESQ.  
Federman & Sherwood  
120 North Robinson  
Suite 2720  
Oklahoma City, Oklahoma 73102

ROBERT C. MOILANEN, ESQ.  
Zimmerman Reed  
651 Nicollet Mall, Suite 501  
Minneapolis, Minnesota 55402

DONALD J. ENRIGHT, ESQ.  
Finkelstein, Thompson & Loughran  
1050 30th Street, N.W.  
Washington, D. C. 20007

For the Defendants: JOSHUA S. AMSEL, ESQ.  
Weil, Gotshal & Manges  
767 Fifth Avenue  
New York, New York 10153

KATIE PFEIFER, ESQ.  
Dorsey & Whitney  
Suite 1500  
50 South Sixth Street  
Minneapolis, Minnesota 55402

Court Reporter: KRISTINE MOUSSEAU, CRR-RPR  
1005 United States Courthouse  
300 Fourth Street South  
Minneapolis, Minnesota 55415  
(612) 664-5106

Proceedings recorded by mechanical stenography;  
transcript produced by computer.

KRISTINE MOUSSEAU, CRR-RPR  
(612) 664-5106

1           The federal securities laws surely provide damage  
2 remedies for buyers on the open market that are defrauded,  
3 but the federal securities laws provide many other remedies  
4 for investors. Under the '34 Act the Section 14(a) claim,  
5 which is a negligence claim based on holdings, Section 11  
6 of the 1933 Act I just spoke about, the nonfraud remedy,  
7 and Section 20A, the disgorgement remedy.

8           So there is a reason Congress didn't use the term  
9 "damages" or even "losses" because they knew there would be  
10 cases like this case is where equitable relief,  
11 disgorgement, undoing the stock plan, having an accounting,  
12 reforming the plan going forward, are all the types of  
13 relief that can be requested, and those are relief, items  
14 of relief that have very significant financial consequences  
15 for the current shareholders of this company.

16           I do want to speak for a moment about the proper  
17 class period, and I'm going to ask my colleague, I know  
18 this is in the papers, but I want you to have this small  
19 chart, and may he approach you or your clerk for just a  
20 second?

21           And while I'm doing this, could I have your  
22 permission just to go to the board for one moment?

23           THE COURT: Sure.

24           MR. LERACH: Normally, we would not quarrel over  
25 the time period of the class period at this stage of the

1 case. Normally, that would be a merits argument, but here  
2 it's not a merits argument. It's a matter of mathematics.  
3 I want to show you two different types of cases.

4 That's this case: A stock that goes up for some  
5 years. There is a bad revelation. The stock crashes,  
6 inflicting economic loss under *Dura*. FIFO, of course,  
7 takes out the gains that an investor may have had and is  
8 consistent with dealing with this kind of case.

9 But it is a matter of mathematics, Your Honor,  
10 that buyers in this earlier three- or four-year period,  
11 whenever it is, I don't care how imaginative a lawyer you  
12 are, they don't have a loss, and just because someone ran  
13 to court quickly and filed a case and attached a class  
14 period reflecting a five-year class period under the  
15 statute of limitations, really, it's really a matter of  
16 competence, candor and care in terms of what you assert in  
17 a case.

18 That's never going to survive in this case. This  
19 is the right class period (indicating). Now, also I want  
20 to show you another thing. You could have a class period  
21 that looked like this where the stock is up and down and up  
22 and down.

23 And however difficult it might be under *Dura* to  
24 allege losses for those who sold on the dips,  
25 theoretically, at least, you could do it. And if that were

1 the case and there were partial disclosures, I wouldn't  
2 make the argument I'm making. This is this case. There  
3 are no *Dura* compliant losses prior to sometime in December  
4 of 2005, and the Schiffrin group acknowledges that and  
5 agrees with us on that particular point.

6 THE COURT: December 2005?

7 MR. LERACH: I believe December 2005. Let me  
8 look. It may be January of 2005.

9 THE COURT: Okay.

10 MR. LERACH: You can't have losses before that  
11 time period, just looking at the stock chart here.

12 THE COURT: Okay.

13 MR. LERACH: Courts generally apply the FIFO  
14 test. It works in this kind of situation. It protects big  
15 institutional investors who of necessity are going to be  
16 constantly buying and selling stock because they have  
17 different money managers who act differently.

18 There is nothing wrong with that, and if you  
19 adopt the rule that disqualifies institutional investors,  
20 you're certainly going against the desires of Congress and  
21 the PSLRA, and the *Chill* case in this district said FIFO  
22 was well accepted and applied it.

23 My colleagues at the Schiffrin firm made the  
24 assertion in a brief that there has never been a case where  
25 a net seller has ever been appointed sole lead plaintiff.

## **Exhibit 7**